MERCHANDISER

Snuff, generics combat cigarette use decline

Cigarettes aimed directly at women have helped maintain a steady number of women smokers.

Continued from page 33

draws new users," he explains.

Jim Fitzgerald, buyer for Governeur, N.Y.-based Kinney says he just took on Skoal Bandits. Like most, he's giving the item space near checkouts and near cigarettes. Merchandising this new product with cigarettes is important, says Softness, because it appeals to that market rather than to chewing tobacco users.

Skoal Bandits retails for about $1 for 20 pouches and carries about the same gross margin as cigarettes. U.S. Tobacco, manufacturer of Skoal Bandits, has boosted sales thanks to a $30 million promotional campaign featuring celebrities such as country music star Charlie Daniels and football lineman Joe Klecko. The manufacturer currently claims 88% of the domestic snuff market. Other manufacturers are not planning an immediate entry into the market.

Another segmentation of the cigarette market gathering steam in drug stores is generics. "We can't keep generics on the shelf," claims Kinney's Jim Fitzgerald. "We put them out last June and the results were astronomical."

Generic sales have been doubling in many chains and now account for about 3% of total volume. Production figures show that 17.5 billion generic cigarettes were produced last year, up from 5.9 billion in 1982.

Because generics sell for about 20¢ less than branded items, some buyers feel demand varies by area. Schechter at Peoples, for example, says generics do well in Peoples Indianapolis market because it is a "blue-collar" area.

But other chains report that once smokers try generics and like them, they continue to smoke them. Research from The Gary Tobacco Company, a manufacturer of generics, shows that 94% of those who tried a generic would repeat the purchase. Chains reporting great percentage gains in generics include Kerr, Rite Aid and Apex. Begley is just beginning a test of generics, according to Tipton.

On the other end of the spectrum, there appears to be a growing market for the "fancy" cigarettes like Players (which grabbed 1% market share in its first year), Satin, a product aimed at the female smoker market, and R. J. Reynolds' new brand, Sterling. Sterling will be launched in March. The product

Pipe tobacco consumption has dropped off. The latest production figures show a 2.1% drop in pounds manufactured.

is international length (94mm). Several drug chains expressed interest in the brand, saying that other "luxury" items had been strong movers.

"The pretty brands like Players and Benson and Hedges have been very strong," notes Schechter.

In addition to new products, many drug chains see the need to spur sales via their own tactics. Ribordy, for example, will begin to advertise more heavily, according to the chain's director of merchandising, Mark Paul.

Chains are also testing different fixtures, including self-service carton fixtures suitable for gondola ends or at checkouts. Most chains have also found that they must buy more "judiciously," says Schechter. He feels the chain now needs to carry about

Continued on page 39

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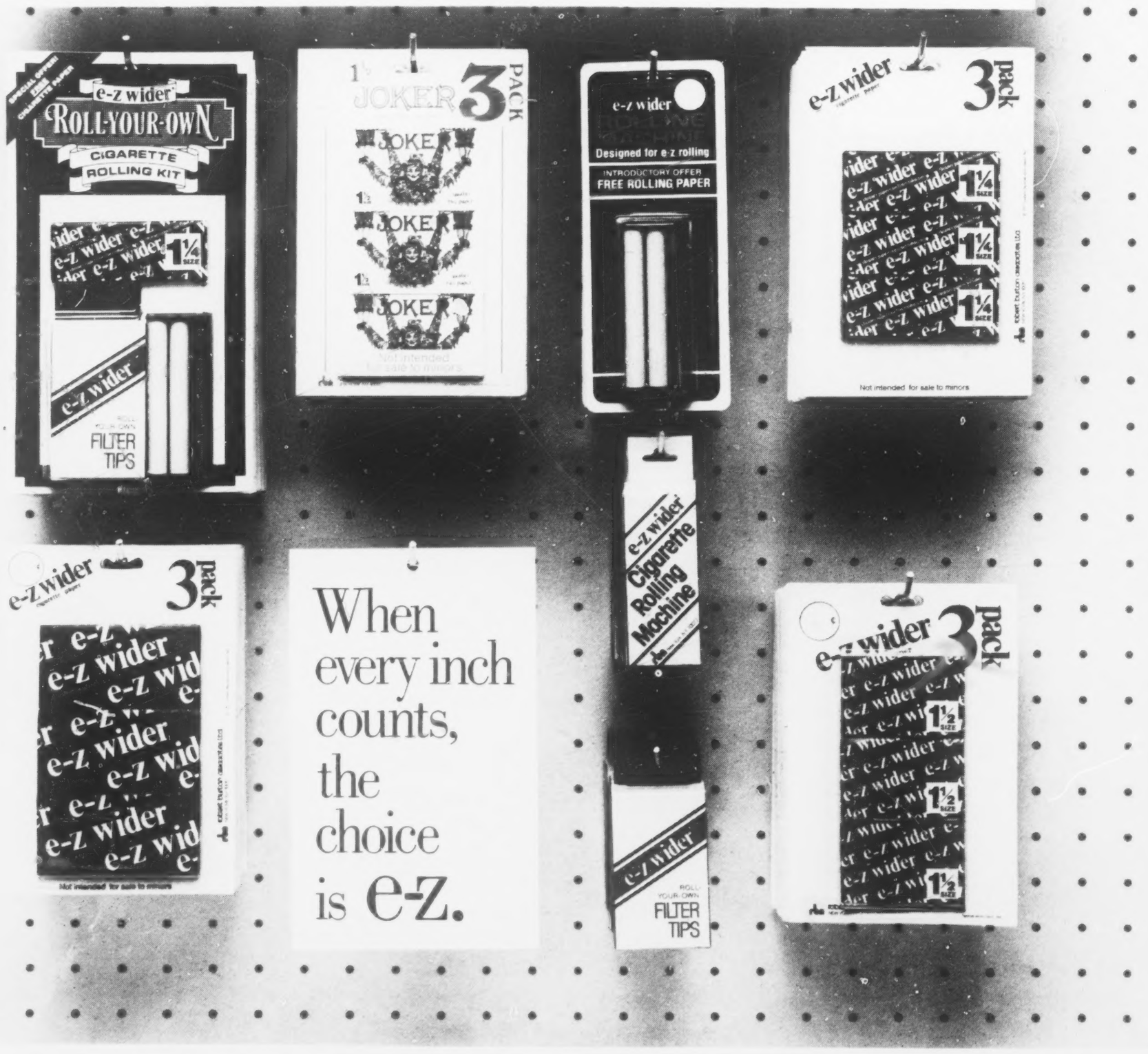

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MERCHANDISER

Tobacco production; 1982 vs. 1983		
Tobacco product	**1983**	**1982**
Cigarettes		
Units (billions)	603.0	634.0
Packs (billions)	30.2	31.7
Large cigars (billions)	3.6	3.7
Small cigars (billions)	1.3	1.3
Pipe tobacco (million lb.)	32.8	33.6
Chewing tobacco (million lb.)	87.2	90.4
Snuff (million lb.)	46.1	43.8

Source: U.S. Department of Agriculture

Chain tobacco sales increase

Continued from page 33

Other developments in the industry gathering retailer interest include the smokeless cigarette, the 25-count pack and R. J. Reynolds' new ad campaign designed to persuade consumers that cigarette smoking isn't all that bad.

San-Antonio based Advance Tobacco Product has launched a smokeless cigarette named Favor. The smokers' nicotine need is satisfied by inhaling nicotine vapor. Although many retailers contacted were not familiar with the product, they were cautious about taking on any new item that may be just a fad.

The 25-count packs have received mixed reviews, mostly because the concept is still confusing to the customer. And finally, retailers are taking a "wait and see" attitude about Reynolds' new ad campaign.

142 brands, up from the 61 brands required eight years ago to satisfy most customers. And as consumption has slackened, buying has changed.

Market share by brand		
	% of market	
Company/brands	**1983**	**1982**
Phillip Morris	29.4	28.5
Marlboro	19.9	19.2
Benson & Hedges	5.0	4.8
Merit	4.5	4.5
R. J. Reynolds	28.7	30.8
Winston	12.2	13.2
Salem	8.3	8.8
Camel	4.5	4.9
Vantage	3.7	3.9
Brown & Williamson		
Kool	7.1	8.2
American Brands		
Pall Mall	4.1	4.3
Lorillard		
Kent	3.9	4.1

Source: Maxwell Report, Lehman Brothers Kuhn Loeb Research

Lighters heat up as merchandise tools

Merchandising disposable lighters at checkouts near cigarettes can increase the chances of multiple tobacco purchases, according to chain drug buyers.

In addition, a schedule of aggressive lighter promotions can help these inexpensive disposable products "sell like crazy," says a merchandise manager from a West Coast chain.

According to this buyer, the number of lighters moved daily and on ads is surprising. "We sell as many lighters as shampoo," he reports. The beauty of the business is that it brings in margins of 35% to 40% on an everyday basis and 10% to 15% on promotion.

The disposable lighter market in 1983 reached a total of

Merchandising lighters in high traffic locations insure overall higher gross margins.

475 million units, which translates into about $430 million at retail. Bic, a major manufacturer of disposable lighters, projects a 500 million unit market this year.

Buyers say Bic produces the fastest selling product and has done a good job with twin packs. Plus, buyers expect big things to come from 4-pack promotions the company is planning. Bic currently commands 54% of the market.

Jim Devine of Apex Drugs says that lighters are an important cross-merchandising tool. In addition to checkouts, Devine sells lighters in a 4-ft. section adjacent to his in-line tobacco department. His best sellers are Bic, Cricket, Zippo and Scripto.

Many more chains are also offering an alternative lighter, such as General Cigar Co.'s D'Jeep lighters. According to Matt Gordon, general manager, D'Jeep is an upscale lighter targeted at the market niche between the lower priced disposable and higher priced permanent lighters. D'Jeep retails for $1.49.

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Special report:

Best-selling OTC's

Charting the top 100 OTC products

Research for Drug Store News's *Top 100 Over-the-Counter Health Product study was organized and supervised by Assistant Pharmacy Editor Harold Cohen. The section was written by Cohen and Editor Elizabeth Parks.*

Because the over-the-counter product category is one of the key departments in today's retail pharmacy, accounting for about 15% of chain drug sales, *Drug Store News*, in this issue, launches its first OTC movement study.

The rankings are based on warehouse withdrawal data from a variety of major retail drug chains operating more than 2,000 stores in every region of the country.

To filter cut skewed results based on seasonal variations, such as the winter jump in cough/cold sales, the study includes data from a full year of product movement.

The heart of our study is the unit movement chart, which ranks products according to how quickly they sell through retail drug stores. Also included are charts that rank the same products within their own individual subcategories, such as analgesics and cough/cold.

Chap Stick, for instance, is the leader in overall movement, and, of course, is also the undisputed Tyrannosaurus rex within its own subcategory of topical creams.

The second most popular topical cream, Vicks Vaporub 1.5 oz., is a good 33 points behind Chap Stick, while the closest lip ointment, Blistex 0.14 oz., is a good 59 points behind.

Chap Stick, however, does not make it into our Top 10 or even Top 20 in dollar sales ranking, and that is primarily because it carries such a low ticket, a suggested retail of 95¢. Chap Stick is also low in dollar volume because it is a hotly promoted item particularly during the cold weather months.

In tracking drug store ads through the month of January, Assistant Pharmacy Editor Harold Cohen, R.Ph., found that Chap Stick was frequently advertised and often at incredibly hot prices, as much as 49% below its 61¢ average wholesale price (AWP).

For that reason, *Drug Store News* editors based their analysis of the survey data more on unit movement than on dollar movement. Because unit sales show the actual velocity of a product through the drug retail universe, we felt it was a better variable for making merchandising decisions.

Chain merchandisers and buyers know the importance of the top 100 OTC drug/proprietary items, products are routinely discounted because they represent added value to consumers who regularly purchase them.

The importance of the OTC health aids department is also reflected by the fact that it contributes about 15% of a chain drug store's overall sales volume, second to the prescription department.

Drug Store News compiled these product rankings by unit and dollar volume because drug store patrons are extremely sensitive to prices of frequently purchased products. And added merchandising opportunities are created when this merchandise is competitively priced.

10 fastest moving OTC products in unit sales

1. Chap Stick
2. Fleets Enema regular
3. Maalox Suspension 12 oz.
4. Nyquil 6 oz.
5. Mylanta Liquid 12 oz.
6. Bayer Aspirin 100's
7. Actifed tablets 24's
8. Visine Eye Drops-squeeze 0.5 oz.
9. Robitussin DM 4 oz.
10. Anacin tablets 100's

Source: *Drug Store News* survey

10 highest volume OTC products in dollar sales

1. Centrum vitamins 100's
2. Theragran M tablets
3. Nyquil 6 oz.
4. Tylenol Extra-Strength tablets 100's
5. Maalox Suspension 12 oz.
6. Anacin tablets 100's
7. Tylenol Extra-Strength tablets 60's
8. Metamucil powder 21 oz.
9. Tylenol Extra-Strength capsules 50's
10. Excedrin tablets 100's

Source: *Drug Store News* survey

Special report:

Best-selling OTC's

The *Drug Store News* top

Unit sales

1. Chap Stick
2. Fleets enema regular
3. Maalox suspension 12 oz.
4. Nyquil 6 oz.
5. Mylanta liquid 12 oz.
6. Bayer aspirin 100's
7. Actifed tablets 24's
8. Visine Eye Drops squeeze 0.5 oz.
9. Robitussin DM 4 oz.
10. Anacin tablets 100's
11. Tylenol Extra-Strength tablets 30's
12. Tylenol Extra-Strength tablets 60's
13. Contac capsules 10's
14. Afrin nasal spray 15ml
15. Bufferin tablets 100's
16. Tylenol chewable tablets 30's
17. Tylenol Extra-Strength capsules 50's
18. Tylenol Extra-Strength tablets 100's
19. Excedrin tablets 100's
20. Norwich aspirin 250's
21. Rolaids 3 pk.
22. Sudafed tablets 30mg 24's
23. Mylanta II liquid 12 oz.
24. Maalox Plus suspension 12 oz.
25. Centrum vitamins 100s
26. Pepto Bismol 8 oz.
27. Tylenol Drops 0.5 oz.
28. Dexatrim Extra-Strength 20's
29. Pepto Bismol 4 oz.
30. Tylenol Extra-Strength capsules 24's
31. Barnes Hind wetting solution 2 oz.
32. Bausch & Lomb saline solution 12 oz.
33. Correctol tablets 30's
34. Vicks Vaporub jar 1.5 oz.
35. Drixoral tablets 10's
36. Nyquil 10 oz.
37. Alka Seltzer foil 36's
38. Dristan tablets 24's
39. Neosporin ointment 0.5 oz.
40. Bayer aspirin children's 36's
41. Ascriptin tablets 100's
42. St. Joseph aspirin children 36's
43. Excedrin tablets 60's
44. Vicks Formula 44 D cough mixture 3 oz.
45. Drixoral tablets 20's
46. Vaseline Jelly 3.75 oz.
47. Metamucil Powder 14 oz.
48. Flexcare 12 oz.
49. Theragran M tablets

Dollar sales

1. Centrum vitamins 100's
2. Theragran M tablets
3. Nyquil 6 oz.
4. Tylenol Extra-Strength tablets 100's
5. Maalox Suspension 12 oz.
6. Anacin tablets 100's
7. Tylenol Extra-Strength tablets 60's
8. Metamucil powder 21 oz.
9. Tylenol Extra-Strength capsules 50's
10. Excedrin tablets 100's
11. Nyquil 10 oz.
12. Bufferin tablets 100's
13. Metamucil powder 14 oz.
14. Soflens Cleaner tablets 24's
15. Mylanta liquid 12 oz.
16. Mylanta II liquid 12 oz.
17. Drixoral tablets 20's
18. Contac capsules 10's
19. Afrin Nasal Spray 15ml
20. Nyquil 14 oz.
21. Robitussin DM 4 oz.
22. Bayer aspirin 100's
23. Dexatrim Extra-Strength 20's
24. Maalox Plus suspension 12 oz.
25. Tylenol Extra-Strength tablets 30's
26. Barnes Hind Wetting Solution 2 oz.
27. Maalox suspension 26 oz.
28. Bausch & Lomb Saline Solution 12 oz.
29. Tylenol Chewable tablets 30's
30. Dexatrim Extra-Strength capsules 40's
31. Tylenol drops 0.5 oz.
32. Chap Stick
33. Drixoral tablets 10's
34. Actifed tablets 24's
35. Tylenol elixir 2 oz.
36. Tylenol Extra-Strength capsules 100's
37. Ascriptin tablets 100's
38. Excedrin tablets 60's
39. Dristan tablets 24's
40. Tylenol tablets regular 100's
41. Correctol tablets 30's
42. Pepto Bismol 8 oz.
43. Visine Eye Drops squeeze .5 oz.
44. Neosporin Ointment 1 oz.
45. Tylenol Extra-Strength capsules 24's
46. Sudafed tablets 30mg 24's
47. Myadec tablets 130's
48. Norwich aspirin 250's
49. Robitussin DM 8 oz.

The highest volume analgesic products in dollar sales

Item	Rank in top 100
Tylenol Extra-Strength tablets 100's	4
Anacin tablets 100's	6
Tylenol Extra-Strength tablets 60's	7
Tylenol Extra-Strength capsules 50's	9
Excedrin tablets 100's	10
Bufferin tablets 100's	12
Bayer aspirin 100's	22
Tylenol Extra-Strength tablets 30's	25
Tylenol chewable tablets 30's	29
Tylenol drops ½ oz.	31
Tylenol elixir 2 oz.	35
Tylenol Extra-Strength capsules 100's	36
Ascriptin tablets 100's	37
Excedrin tablets 60's	38
Tylenol tablets regular 100's	40
Tylenol Extra-Strength capsules 24's	45
Norwich aspirin 250's	48
Norwich aspirin 500's	67
Ecotrin tablets 100's	68
Bayer aspirin 50's	96
Excedrin tablets 36's	97

Source: *Drug Store News* survey

The fastest moving analgesic products in unit sales

Item	Rank in top 100
Bayer aspirin 100's	6
Anacin tablets 100's	10
Tylenol Extra-Strength tablets 30's	11
Tylenol Extra-Strength tablets 60's	12
Bufferin tablets 100's	15
Tylenol Chewable tablets 30's	16
Tylenol Extra-Strength capsules 50's	17
Tylenol Extra-Strength tablets 100's	18
Excedrin tablets 100's	19
Norwich aspirin 250's	20
Tylenol drops ½ oz.	27
Tylenol Extra-Strength capsules 24's	30
Bayer aspirin children's 36's	40
Ascriptin tablets 100's	41
St. Joseph aspirin children's 36's	42
Excedrin tablets 60's	43
Tylenol elixir 2 oz.	50
Tylenol tablets regular 100's	65
Bayer aspirin 50's	66
Tylenol Extra-Strength capsules 100's	80

Source: *Drug Store News* survey

In organizing our over-the-counter health product survey, we deliberately restricted the study to *only* those products having a remedial application: analgesics which relieve pain or fever, for example, or vitamins to relieve stress.

We excluded such borderline products as razor blades, skin creams or shampoos that we decided were better classified as health and beauty aid products.

After we had computerized our sample and ranked each product in descending order of volume, we found that 24% of all the unit sales volume was generated by cough/cold products and an equal percentage by analgesics. Another 19% went to antacids, while 10% went to topical creams and eye/lens care products. Laxatives captured 5% of the total top 100 unit volume while appetite suppressants, vitamins and antihemorrhoid products each captured 2%. An antinausea aid and a feminine hygiene product each captured 1%.

However, despite the fact that analgesics, cough and cold and antacids dominated the top 100 unit volume, the top 10 consisted of a more representative distribution: a topical cream dominated the lead slot, while a laxative took the No. 2 position. Antacid products were in third and fifth place, while cough/cold products were in fourth, seventh and ninth place and analgesics were in sixth and 10th.

Focus on analgesics

In the analgesics category, 10 of the top 24 products that made the top 100 list were Tylenol products, showing the dominant position that the brand was able to recover and maintain following the Chicago tragedy of 1982.

However, our findings also show that

Special report:

Best-selling OTC's

100 stars of the OTC dept.

Unit sales

50. Tylenol Elixir 2 oz.
51. Preparation H ointment 1 oz.
52. Maalox Plus tablets 12's
53. Preparation H suppositories 12's
54. Soflens cleaner tablets 24's
55. Bausch & Lomb Saline Solution 8 oz.
56. Tums 3 pk.
57. Neosporin ointment 1 oz.
58. Metamucil powder 21 oz.
59. Tums 150's
60. Blistex ointment 14 oz.
61. Tinactin cream 15gm
62. Robitussin 4 oz.
63. Gaviscon tablets 100's
64. Maalox Suspension 26 oz.
65. Tylenol tablets regular 100's
66. Bayer Aspirin 50's
67. Nyquil 14 oz.
68. Massengil Disposable Douche Water/Vinegar 6 oz.
69. Robitussin DM 8 oz.
70. Riopan Plus liquid 12 oz.
71. Ex-Lax chocolate 18's
72. Alka Seltzer Plus tablets 20's
73. Dexatrim Extra-Strength capsules 40's
74. Sudafed Plus tablets 24's
75. Contac capsules 20's
76. Bausch & Lomb Daily Cleaner 1.5 oz.
77. Cortaid cream 0.5% 15gm
78. Allergan Cleaning/ Disinfecting Solution
79. Robitussin CF 4 oz.
80. Tylenol Extra-Strength capsules 100's
81. Dramamine tablets 12's
82. Blistik
83. Boil N Soak 12 oz.
84. Sudafed tablets 30mg 48's
85. Norwich aspirin 500's
86. Comtrex 24's
87. Sudafed tablets 30mg 100's
88. Alka Seltzer Plus 36's
89. Alka Seltzer tablets 25's
90. Mylanta tablets 100's
91. Anacin tablets 30's
92. Ecotrin tablets 100's
93. Rolaids 150's
94. Soaclens 4 oz.
95. Vicks Inhaler
96. Sucrets lozenges
97. Excedrin tablets 36's
98. Vaseline Jelly 1.75 oz.
99. Vicks Formula 44 3 oz.
100. Benylin Cough Syrup 4 oz.

Source: *Drug Store News* survey

Dollar sales

50. Contac capsules 20's
51. Tinactin cream 15gm
52. Preparation H suppositories 12's
53. Neosporin ointment 0.5 oz.
54. Vicks Formula 44-D cough mixture 3 oz.
55. Alka Seltzer foil 36's
56. Sudafed tablets 30mg 48's
57. Flexcare 12 oz.
58. Tums 150's
59. Sudafed tablets 30mg 100's
60. Gaviscon tablets 100's
61. Allergan Cleaning/ Disinfecting Solution 8 oz.
62. Preparation H ointment 1 oz.
63. Fleets Enema regular
64. Bausch & Lomb Saline Soiution 8 oz.
65. Vicks Vaporub jar 1.5 oz.
66. Bausch & Lomb Daily Cleaner 1.5 oz.
67. Norwich aspirin 500's
68. Ecotrin tablets 100's
69. Pepto Bismol 4 oz.
70. Riopan Plus liquid 12 oz.
71. Vaseline Jelly 3.75 oz.
72. Sudafed Plus tablets 24's
73. Boil N Soak 12 oz.
74. Soaclens 4 oz.
75. Cortaid cream 5% 15gm
76. Robitussin CF 4 oz.
77. Comtrex 24's
78. Alka Seltzer Plus tablets 20's
79. Mylanta tablets 100's
80. Rolaids 3 pk.
81. Rolaids 150's
82. Robitussin 4 oz.
83. Massengill Disposable Douche Water/Vinegar 6 oz.
84. Pepto Bismol 16 oz.
85. Unisol Saline Solution 25's
86. Dramamine tablets 12's
87. Triaminic Expectorant 4 oz.
88. Z-Bec tablets 60's
89. Preflex 45ml
90. Chlortrimeton tablets 12mg 24's
91. Dexatrim Caffeine Free 20's
92. Oscal tablets 100's
93. Ex-Lax chocolate 18's
94. Alka Seltzer Plus 36's
95. Triaminic syrup 4 oz.
96. Bayer aspirin 50's
97. Excedrin tablets 36's
98. Alka Seltzer tablets 25's
99. Ex-Lax unflavored pills 30's
100. Peri Colace capsules 60's

Source: *Drug Store News* survey

Focus on cough/cold

Cough/cold products grabbed three spots among the top 10-in. unit sales: Two were cough preparations: Nyquil 6 oz. and Robitussin DM 4 oz.

The breakdown of sales in the cough/cold category seems to suggest that manufacturers, in their marketing campaigns, have succeeded in convincing customers to buy several variations of what is essentially the same product.

Shoppers seem to be buying a night-relief cough product like Nyquil to combat symptoms while they sleep, then turning right around and buying a regular cough product like Robitussin or Vicks to fight those same symptoms in the daylight hours.

Nyquil, in fact, made our top-100 list with all three sizes: 6, 10 and 14 oz. while Robitussin had four sizes in the ranking.

Only two nasal sprays, however, made the list, with Afrin 15ml in 14th place way out in front of Vicks inhaler in the 95 spot.

Retailers might want to consider reworking some planograms so that related cough/cold remedial products like nasal sprays and lozenges are located closer to the higher-turning products like cough medicines and cold capsules and tablets. Such a remerchandising could generate higher-volume impulse sales of the related products.

Focus on antacids

In the antacid category, liquid dosages outsold the tablet forms by a remarkable margin. Thirteen, or 68%, of the 19 antacids which made our list were aspirin-based products have certainly not been pushed off their throne. One such product—Bayer aspirin 100's—captured the No. 1 spot among the analgesics. That same product ranked sixth among all OTC products, five places ahead of the No. 1 nonaspirin analgesic, Tylenol Extra-Strength tabs 30's.

Children's analgesics also did very well in our rankings. Out of the 24 analgesics which made it onto our list, five, or 21%, were targeted to the children's market.

There is also a medical logic to the analgesics dominance in the ranking. These are, after all, maintenance products which people use frequently. They are not seasonal products subject to sales slumps at different times of the year. And they are a high-demand product among the growing population of older drug store consumers.

The fastest moving cough/cold products in unit sales

Item	Rank in top 100
Nyquil 6 oz.	4
Actifed tablets 24's	7
Robitussin DM 4 oz.	9
Contac capsules 10's	13
Afrin nasal spray 15ml	14
Sudafed tablets 30mg 24's	22
Drixoral tablets 10's	35
Nyquil 10 oz.	36
Dristan tablets 24's	38
Vicks Formula 44-D cough mixture 3 oz.	44
Drixoral tablets 20's	45
Robitussin 4 oz.	62
Nyquil 14 oz.	67
Robitussin DM 8 oz.	69
Sudafed Plus tablets 24's	74
Contac capsules 20's	75
Robitussin CF 4 oz.	79
Sudafed tablets 30mg 48's	84
Comtrex 24's	86
Sudafed tablets 30mg 100's	87
Vicks inhaler	95
Sucrets lozenges	96
Vicks Formula 44 3 oz.	99
Benylin cough syrup 4 oz.	100

Source: *Drug Store News* survey

The highest volume cough/cold products in Dollar Sales

Item	Rank in top 100
Nyquil 6 oz.	3
Nyquil 10 oz.	11
Drixoral tablets 30's	17
Contac capsules 10's	18
Afrin nasal spray 15ml	19
Nyquil 14 oz.	20
Robitussin DM 4 oz.	21
Drixoral tablets 10's	33
Actifed tablets 24's	34
Dristan Tablets 24's	39
Sudafed Tablets 30mg 24's	46
Robitussin DM 8 oz.	49
Contac Capsules 20's	50
Vicks Formula 44-D Cough Mixture 3 oz.	54
Sudafed Tablets 30mg 48's	56
Sudafed Tablets 30mg 100's	59
Sudafed Plus Tablets 24's	72
Robitussin CF 4 oz.	76
Comtrex 24's	77
Robitussin 4 oz.	82
Triaminic Expectorant 4 oz.	87
Chlortrimeton Tablets 12mg 24's	90
Triaminic Syrup 4 oz.	95

Source: *Drug Store News* survey

Special report:

Best-selling OTC's

The fastest moving antacid products in unit sales

Item	Rank in top 100
Maalox suspension 12 oz.	3
Mylanta liquid 12 oz.	5
Rolaids 3 pk.	21
Mylanta II liquid 12 oz.	23
Maalox Plus suspension 12 oz.	24
Pepto Bismol 8 oz.	26
Pepto Bismol 4 oz.	29
Alka Seltzer foil 36's	37
Maalox Plus tablets 12's	52
Tums 3 pk.	56
Tums 150's	59
Gaviscon tablets 100's	63
Maalox suspension 26 oz.	64
Riopan Plus liquid 12 oz.	70
Alka Seltzer Plus tablets 20's	72
Alka Seltzer Plus 36's	88
Alka Seltzer tablets 25's	89
Rolaids 150's	93

Source: *Drug Store News* survey

The highest volume antacid products in dollar sales

Item	Rank in top 100
Maalox suspension 12 oz.	5
Mylanta liquid 12 oz.	15
Mylanta II liquid 12 oz.	16
Maalox Plus suspension 12 oz.	24
Maalox suspension 26 oz.	27
Pepto Bismol 8 oz.	42
Alka Seltzer foil 36's	55
Tums 150's	58
Gaviscon tablets 100's	60
Pepto Bismol 4 oz.	69
Riopan Plus liquid 12 oz.	70
Alka Seltzer Plus tablets 20's	78
Mylanta tablets 100's	79
Rolaids 3 pk.	80
Rolaids 150's	81
Pepto Bismol 16 oz.	84
Alka Seltzer Plus 36's	94
Alka Seltzer tablets 25's	98

Source: *Drug Store News* survey

liquid forms. The higher turns could be attributed to the fact that many consumers still believe that liquid antacids work best because they don't need extra time to dissolve in the stomach.

Rolaids, 21st on the unit list and third in its category, achieved its high ranking because of convenience and strong advertising support from Warner-Lambert.

Topical creams, eye/lens care and laxatives

Topical creams and eye/lens care products gained 10 spots each in our top 100 listing and one each in our top 10. Laxatives had five in the top 100 and one in the top 10.

In the topical cream category, Chap Stick was 33 places ahead of its closest category competitor, Vicks Vaporub and 59 and 81 points ahead, respectively, of the two other lip ointments on the chart, Blistex 14 oz. and Blistik. The catchy advertising campaigns sponsored by Chap Stick seems to deserve some of the credit for this performance.

Advertising may also be why Neosporin broke into our top 100 unit listing with not just one but two sizes, in spite of the crowded field for antibiotic ointments.

In the eye/lens care category, only 1 of the 10 products that made it was an eye treatment product: Visine drops 5 oz. The others were all cleaning and disinfecting solutions geared to contact lens care.

Of the five laxative products that made it, Fleets disposable enemas scored the highest with a No. 2 overall ranking in unit sales. Part of the success has to be attributed to doctors' recommendations.

Correctol, which achieved a 33 ranking is heavily advertised, as is Metamucil, which achieved rankings of 47 and 48 for the 14-oz. and 21-oz. sizes, respectively.

Metamucil is also a popular choice of seniors who seem to view it as more natural and gentle.

Vitamins, antihemorrhoids, antinausea, feminine hygiene and appetite suppressants

Both of the vitamin products that made our listing were multiple, high-potency formulations, suggesting that consumers are still more inclined to shop for umbrella vitamins—those that can attend to a variety of nutritional needs at once rather than those that address specific needs such as coping with stress or supplementing iron in the bloodstream.

In the appetite-suppressant category, Dexatrim's popularity, possibly generated by its advertising, made it the only contender, even though the field is crowded with many players, all basically identical in their product ingredients.

Preparation H dominated the antihemorrhoid category, while Massengil did the same in feminine hygiene and Dramamine in antinausea. Advertising and promotions again appeared to play a key role in the success of these products.

The fastest moving eye and lens care products in unit sales

Item	Rank in top 100
Visine Eye Drops-Squeeze 0.5 oz.	8
Barnes Hind Wetting Solution 2 oz.	31
Bausch & Lomb Saline Solution 12 oz.	32
Flexcare 12 oz.	48
Soflens Cleaner Tablets 24's	54
Bausch & Lomb Saline Solution 8 oz.	55
Bausch & Lomb Daily Cleaner 1.5 oz.	76
Allergen Cleaning/ Disinfecting Solution	78
Boil N Soak 12 oz.	83
Soaclens 4 oz.	94

Source: *Drug Store News* survey

McNeil earns top spot among manufacturers

An outstanding marketing effort has earned McNeil Consumer Products Co., manufacturer of Tylenol, the top position among the 37 companies represented in *Drug Store News'* survey of the 100 fastest-moving OTC products.

Tylenol, in its various sizes and dosage forms, claimed 10 places on the top 100 list, followed by Vicks and Burroughs Wellcome Co., each with seven positions.

While it is evident that Tylenol is well represented in the consumer's medicine cabinet, no particular Tylenol item appears among the top 10 fast movers. However, five items do make their appearance in the top 20. Tylenol also accounts for 10 of the 24 analgesic products that placed among the Top 100, far above any other manufacturer.

The capsule dosage form, involved in the 1982 Chicago tragedy, is once again well represented in the product line, with three sizes making the top 100 list based on unit volume.

In the cough and cold category, Vicks tops the list, standing above eight other companies, with six products placing in the top 100. Boosting Vicks to the No. 1 cough and cold position is the popular nighttime cold medication Nyquil. All three available sizes of the medicine appear on the top 100 list. Burroughs Wellcome Co., maker of Sudafed, a decongestant without antihistamine that's advertised as a drug that does not induce drowsiness, grabbed 4 of the top 24 cough and cold positions.

Aside from Visine, all brands in the eye and lens care category are products marketed for the contact lens user. In this area, Bausch & Lomb clearly leads the market with 4 of the 10 products on the top 100 list.

B&L's closest competitors, Alcon bp and Allergan, captured third and second positions, respectively.

Searle Consumer Products, manufacturer of Metamucil, a bulk-forming laxative, sells twice as many units as any other laxative and controls 2 of the 5 spots in the laxative category.

The antacid category is divided into two subcategories, one targeted to the consumer with ulcer symptoms and the other directed at the upset stomach/acid indigestion sufferer.

The battle for the No. 1 spot in the category is between the top two products sold to the ulcer patient market, Maalox and Mylanta. Maalox, manufactured by William H. Rorer Inc., edged

The highest volume eye and lens care products in dollar sales

Item	Rank in top 100
Soflens Cleaner tablets 24's	14
Barnes Hind Wetting Solution 2 oz.	26
Bausch & Lomb Saline Solution 12 oz.	28
Visine Eye Drops-Squeeze 0.5 oz.	43
Flexcare 12 oz.	57
Allergan Cleaning/ Disinfecting Solution	61
Bausch & Lomb Saline Solution 8 oz.	64
Bausch & Lomb Daily Cleaner 1.5 oz.	66
Boil N Soak 12 oz.	73
Soaclens 4 oz.	74
Unisol Saline Solution 25's	85
Preflex 45ml	89

Source: *Drug Store News* survey

The highest volume appetite suppressant products in dollar sales

Item	Rank in top 100
Dexatrim Extra-Strength 20's	23
Dexatrim Extra-Strength capsules 40's	30
Dexatrim Caffeine Free 20's	91

Source: *Drug Store News* survey

The fastest moving appetite suppresant product in unit sales

Item	Rank in top 100
Dexatrim Extra-Strength 20's	28
Dexatrim Extra-Strength capsules 40's	73

Source: *Drug Store News* survey

Special report: Best-selling OTC's

out Stuart Pharmaceutical's Mylanta for the top spot.

According to the survey, Miles Labs Inc. is the manufacturer of the top seller in the upset stomach acid indigestion subcategory. Alka Seltzer grabbed 4 places among the 19 antacids represented on the top 100 list.

No single company had more than one entry in the top 10 OTC product list.

OTC conversions among best-sellers

Prescription products that have been converted to over-the-counter status are having a tremendous impact on the total OTC market, with the greatest concentration found in the cough and cold category.

Manufacturers are cashing in on OTC conversions by grabbing a sizable portion of the total OTC market. For example, within the cough and cold category, four of the 23 cough cold products in the top 100 (dollar volume) and five of the 24 products (unit volume) are on the best-seller list.

The only other category that registered products with prescription to OTC conversion was topicals with two of 10 leading products in the category being those that were switched.

Schering was the first manufacturer to successfully convert selected prescription products to over-the-counter status. Afrin nasal spray 15ml and two sizes of Drixoral tablets represent prin examples of the firm's entries in the cough and cold category. And Tinactin represents a successful prescription product that moved to the OTC topical category.

Products of Schering's conversion account for four of the brands appearing in the top 100 list of OTC products and they account for over half of all the conversion products which made the list.

Three other pharmaceutical firms each had one conversion that made it onto the top 100 OTC list. Burroughs Wellcome was the only company that saw its conversion product, Actifed tablets 24's, in the top 10, with ranking in seventh position. Parke Davis' successful prescription cough formula, Benylin, had been taken off OTC status for a short while but then was reinstated. The brand just made the cutoff by capturing the 100th position.

Another of the more successful conversions was hydrocortisone cream 0.5%. While there are many companies that market a hydrocortisone cream over the counter, only Upjohn's Cortaid cream 0.5%, available in 15gm containers, made the fastest-moving OTC list by placing in position 77.

Competitive pricing on select top analgesics

Product	Unit sales ranking	AWP	SRP	Avg. promo price	Most competitive promo price
Bayer aspirin 100's	6	$2.19	$2.93	$1.67	$1.44
Anacin tabs 100's	10	3.47	5.21	2.99	2.69
Tylenol Extra-Strength tabs 30's	11	2.17	3.26	2.29	1.67
Tylenol Extra-Strength tabs 60's	12	3.71	5.57	2.69	2.19
Bufferin tabs 100's	15	3.40	4.90	*	*

*Information not available

Source: *Drug Store News* survey and *Medi-Span's OTC Pricing Guide*

Upjohn was the first company to market over-the-counter hydrocortisone products, and Cortaid immediately became a best seller within the category. Despite competition by other brands, Cortaid still maintains its leadership position in the category.

Promos and discounts make items winners

For the month of January, most of the products that made Top 100 lists for unit sales and dollar sales were promoted heavily, many at retails substantially below the average wholesale price.

In reviewing the ads clipped daily from newspapers throughout the nation, Assistant Pharmacy Editor Harold Cohen found that Chap Stick, the No. 1 unit volume product, was advertised by at least five chains at retails ranging from 33¢ or 3/99¢ to 50¢ or 2/$1.

According to Medi-Span's OTC pricing guide, Chap Stick's average wholesale price is 61¢, while its suggested retail price is 95¢.

It's clear that in January many retailers chose to exploit Chap Stick's traffic-building potential by giving it away. Ads for the two comparable products that made our Top 100 unit listing, Blistex ointment 14 oz. and Blistik, were much rarer.

Blistex and Blistik, which did not make our dollar ranking list, turned out to carry average retails of $1.19 and 99¢, respectively.

Chap Stick, when it was not on sale, carried an average retail price of approximately 95¢.

However, although advertising and promotions certainly helped to propel products into our Top 100 rankings, they were not always the decisive factor. Sometimes a product seemed to make it purely as the result of doctors' recommendations or word of mouth.

Fleets regular enema, which took the No. 2 spot on our unit rankings, seems to be such a product. As far as *Drug Store News* could determine, there was never any strong ad activity for Fleets during the year in which we tracked sales. The product generally sold for an average $1.07 and still made our rankings.

The price, it should be noted, is right in line with Medi-Span's listing of the manufacturer's suggested retail price, and at that price, Fleets may be the most productive product on our chart.

Our data was not complete enough to let us know every respondent's actual acquisition cost, but according to Medi-Span, the average wholesale price on Fleets' is 71¢.

Obviously, any product that can achieve such high turns at a minimum 34% margin can be very profitable.

In fact, the laxative category as a whole carries the potential for extreme profitability. It was one of the least promoted categories in our survey, yet it nudged five products into the Top 100 in unit rankings and seven into the Top 100 in dollar rankings.

On the other hand, our dominant categories—analgesics, antacids and cough/cold—were hotly promoted almost every week, and antacids and analgesics, of course, are virtually without any seasonality.

In the analgesic category, our unit leaders—Bayer aspirin 100's, Anacin tablets 100's and Tylenol Extra-Strength tabs 30's—were all hotly promoted. In January, the lowest sale price on Bayer was $1.44, while the average sale price was about $1.67. According to Medi-Span, the AWP on Bayer is $2.19 while the suggested retail price is $2.93.

For Anacin tabs 100's, the average ad price in January was $2.99. Medi-Span lists its AWP as $3.47 and its suggested retail price at $5.21. Several chains in our survey, it should be mentioned, chose to sell Anacin everyday at prices 15% to 25% off the suggested retail price. That may explain why Anacin was No. 2 in both unit sales and dollar sales in the analgesic category.

Discounting and heavy promotions probably also explain why Tylenol managed to make both our listings with ten separate products. Many retailers also discounted the Tylenol products everyday by between 10% and 20% while their ad prices sometimes featured the products by as much as 30% to 50% off the suggested retail price. Several retailers, for instance, advertised Tylenol Extra-Strength capsules 100's as low as $4.47 and $4.99, while the suggested retail is about $9.39. The AWP on Tylenol Extra-Strength capsules 100's is $6.24.

In the antacid category, the story was similar. The two category leaders—Maalox suspension 12 oz. and Mylanta liquid 12 oz.—were frequently advertised for about $2.00. According to Medi-Span, Maalox suspension is generally available from wholesalers at $2.98, while its suggested retail is $4.47. Mylanta liquid in the 12-oz. size is generally available at $2.51 and carries a suggested retail of $3.76. Everyday prices for these two products were again discounted from 7% to 15%.

Private labels offer low price, high margin

Repeat sales and higher profit margins are two reasons drug stores are turning to packaging the best-selling OTC products under their private label.

Retailers are able to sell top-ranking OTC private label products at a considerable savings to the consumer and still cash in on high gross profit margins. And, since those products carry labels with the store name or a brand name associated exclusively with that store, they encourage repeat visits by customers loyal to the products.

Some of the top private label products, such as epsom salts and hydrogen peroxide, which are generally not promoted by brand name, had the majority of their sales fall into our private label category. According to *DrSN*'s survey, sales of epsom salt and hydrogen peroxide account for one-third of the total top 10 private label products.

While Bayer Aspirin 100's was the only aspirin product to enjoy a position in the top 10 brand name products, three sizes of private label aspirin, 100's, 250's, and 300's, appeared in the top 10 private label product list, cutting into potential Bayer sales.

10 fastest moving private label products in unit sales

1. Epsom salt
2. Aspirin tablets 100's
3. Lip balm
4. Aspirin tablets 250's
5. Hydrogen peroxide 16 oz.
6. Sinus headache tablets 50's
7. Nighttime cold medicine 60's
8. No-aspirin extra-strength capsules 50's
9. Aspirin tablets 300's
10. Hydrogen peroxide 8 oz.

Source: *Drug Store News* survey

In addition, a nonaspirin extra-strength capsule appears in our list of top 10 private label products, while Tylenol failed to make the corresponding listing for brand name products.

During 1982, when Tylenol capsules suffered severe sales losses from a total recall, nonaspirin users frantically searched the market for a substitute. Many manufacturers of private label companies were quick to jump on the bandwagon and flood stores with store brand nonaspirin extra-strength substitutes. That product has maintained its position, and our study shows it is the eighth best seller among private label products.

In addition to aspirin tablets, two other products hold positions on both the brand name top 10 list and the private label top 10 list.

Nyquil 6 oz., Vicks' most popular size of that product, holds the fourth position on the brand name list. A private label version has the seventh position on our private label top 10 list.

The fastest moving topical creams in unit sales

Item	Rank in top 100
Chap Stick	1
Vicks Vaporub Jar 1.5 oz.	34
Neosporin Ointment ½ oz.	39
Vaseline Jelly 3¾ oz.	46
Neosporin Ointment 1 oz.	57
Blistex Oint. 14 oz.	60
Tinactin Cream 15gm	61
Cortaid Cream 0.5% 15gm	77
Blistik	82
Vaseline Jelly 1¾ oz.	98

Source: *Drug Store News* survey

The highest volume topical cream products in dollar sales

Item	Rank in top 100
Chap Stick	32
Neosporin ointment 1 oz.	44
Tinactin cream 15gm	51
Neosporin ointment ½ oz.	53
Vicks Vaporub jar 1.5 oz.	65
Vaseline jelly 3¾ oz.	71
Cortaid cream 0.5% 15gm	75

Source: *Drug Store News* survey

PHARMACY

Lawmakers near pact on drug patents—p. 11

MERCHANDISER

Buyers see 16% housewares growth–p. 21

DRUG STORE NEWS

Vol. 6 No. 7 | Serving the Retail Drug Store Industry for 55 years | Published by Lebhar-Friedman Inc. | April 2, 1984

SupeRx's new replenishment system could mean the chain will be able to maintain an above average in-stock position while simultaneously reducing inventory at the store level. Savings could total an estimated $12 million a year.

SupeRx's new reordering plan to save $12M

By Elizabeth Parks

CINCINNATI—SupeRx Drugs, the nation's 11th largest drug chain, has just adopted a new replenishment system, designed to save an estimated $12 million a year.

This system, which took effect early last month, basically consolidates all replenishment buying for both SupeRx and its parent, Kroger Food Stores, under one roof: Kroger Peyton Group, a wholly owned subsidiary headquartered in Louisville, Ky.

Ross Feldkamp, formerly director of purchasing at SupeRx, has been placed in charge of the division in the newly created position of director of general merchandise procurement for Kroger/SupeRx.

Under him will be eight replenishment buyers responsible for reorder purchases in the following categories: electronics/toys, hosiery/stationery, housewares, hardware, soft goods, cosmetics, pharmacy/OTC products and toiletries.

Feldkamp himself will report to Dan Elliott, vp Peyton Inc., who in turn reports to Merl Blair, president of the three-year-old Peyton Group.

According to Bob Griffith, vp of human resources for SupeRx, the consolidation of replenishment buying for the sister chains will within a year save an estimated $20,000 per year per store.

That translates into a potential $12 million in bottom line savings for the 567-unit SupeRx, plus another estimated $22 million for the approximately 1,100 Kroger stores that will be affected. (The Dillon stores, which were acquired in early 1983, are not affected at this point.)

For the near term, SupeRx and Parent Kroger will retain

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Eckerd adopts 100% central buying

CLEARWATER, Fla.—Eckerd Drug, determined to improve its merchandise position and to keep "hot" new products moving into its stores at a sharp clip, is formally centralizing its buying operations.

After several months of experimenting with centralized buying, management has decided to fully consolidate all of its merchandising operations in its Clearwater corporate headquarters office.

The move will streamline Eckerd's buying staff, removing levels of duplications, plus it will allow Eckerd to acquire more products at sharper prices.

It may also help Eckerd maintain its recent hard-won victory over out-of-stocks because it will give the buyers the authority to "feed" a certain amount of new and promotional products into individual stores.

Under the old system, the buying staff could "recommend" that the division and store managers order a set quantity of product, but they had no power to insure that those orders did come in.

Consequently, Eckerd found itself frequently saddled by two problems: There was either not enough product ordered to insure the sharpest possible acquisition cost—leading to "tight margins"—or there was too much product bought but not ordered out of the warehouse—leading to out-of-stocks.

"Their problem in the past," says one security analyst, "was that they had the product but they didn't necessarily have it in the store. They might have bought it, but because the stores and the divisions had so much autonomy, the product never got ordered into the stores."

The new centralized program, analysts and industry observers agree, will now give Harry Lambert, the president of Eckerd Drug, "a good deal more control over his operations."

Lambert himself calls the new program "consistent with our announced back-to-basics approach to merchandising."

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Perry buys $2M lab service biz

TROY, Mich.—Perry Drug Stores added another dimension to its diversification strategy with the planned purchase of Bioanalytical Procedures Inc., a Michigan-based clinical laboratory producing about $2 million in annual sales.

Perry chairman and ceo Jack A. Robinson announced the deal during the chain's annual shareholder's meeting here.

"This acquisition is a natural extension of the role we foresee for Perry in helping to meet the ever-increasing demands for high-quality health care services in this country," Robinson said.

The 10-year-old Bioanalytical Procedures provides a wide range of laboratory services to hospitals, physicians and nursing homes. Tests offered include tissue analysis, EKG's, blood and urine tests and other procedures.

According to Robinson, the acquisition will help Perry tap into a market "estimated at $16 billion to $20 billion annually in this country." Robert Shapiro, vp health services, noted, however, that the newly acquired

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Deep discounter Drug Emporium to double its store count in '84

By Faye Brookman

COLUMBUS, Ohio—Drug Emporium, the deep discount franchise drug chain, has vigorous growth plans calling for the number of units to double by year end.

Since Phil Wilber first began franchising his successful concept in 1978, Drug Emporium has grown to 34 stores. Seven of those are brand new, opened since the beginning of the year. That's rapid growth even for a conventional chain, but it has caused some problems.

There are now Drug Emporiums in states stretching from California to Florida, making the company the nation's firt network of deep discount units.

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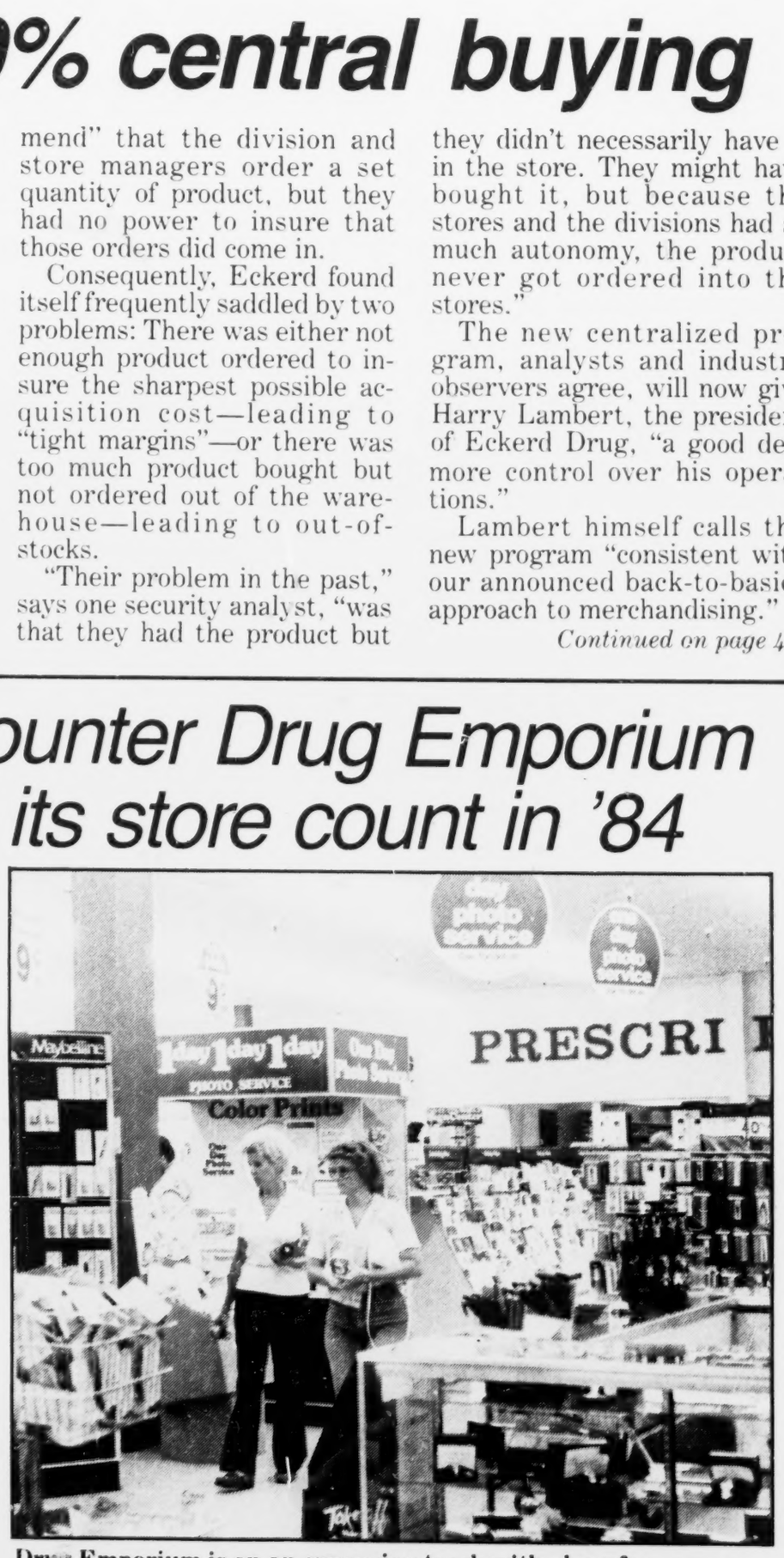

Drug Emporium is on an expansion track with plans for as many as 54 units by year's end.

Late News

OSCO DRUG had "another fine year," according to W. R. Christopherson, chairman of Osco parent Jewel Cos., but the results of Sav-On Drug, Jewel's other drug store division, were "disappointing." For the year ended Jan. 28, Osco's operating profits were up 19.6% as sales rose 14.3%. Save-On's sales increased 6.7%, but pretax earnings were down by a third, the result of depressed gross margins, startup expenses for the new California food/drug combos and costs involved in new merchandising and distribution systems. Overall, Jewel's earnings for the year were off 5.7%, the result in substantially reduced earnings from its equity investment in Aurrera, S.A. de C.V. (Mexico).

FAY'S DRUG CO. reported that net earnings for the year ended Jan. 31 rose 48% to $8.1 million from $5.5 million in the prior year. Sales increased 15.6% to $312.4 million from $270.3 million. For the fourth quarter, earnings increased to $3.8 million, 50.8% higher than the $2.5 million posted in the previous year's comparable period. Sales for the quarter were $92.1 million compared to $79.9 million.

Seen as industry victory

Key legislator reverses stand on Rx crime bill

WASHINGTON—In a move that significantly improves prospects for tough new pharmacy crime legislation this year, House Crime Subcommittee Chairman William Hughes (D-N.J.) reversed course abruptly and introduced his own measure to treat the theft of controlled substances as a Federal offense.

Hughes, considered by drug store industry lobbyists to be the chief Congressional roadblock to enactment of such legislation, had been expected to join with House Judiciary Committee Chairman Peter Rodino (D-N.J.) in attempting to sideline this year's pharmacy crime measure.

His sudden conversion represents a major legislative victory for chain, and wholesale drug lobby groups which have been pressing hard for Congressional action on such a bill.

The primary remaining obstacle to passage of the pharmacy crime legislation this year: Lingering concerns among independent druggists who raised objections to several provisions in the Hughes measure hours before the bill was scheduled for final subcommittee markup late last month.

In contrast to the strategy adopted by the National Association of Retail Druggists' lobbyists, representatives of the chain drug industry are actively pushing for passage of the new House proposal.

"With Chairman Hughes supporting this legislation, we are considerably closer to our goal," National Association of Chain Drug Stores vice president Ty Kelley said.

Ironically, only last month Congressional backers of the Pharmacy crime bill were attempting to steer that measure away from Hughes' subcommittee to a different House panel regarded as more sympathetic to the concerns of pharmacists, drug chains and wholesalers.

At presstime, Hughes had scheduled early "markup" sessions on the legislation, and a final version of the bill could come up for a vote on the House floor as early as this month.

Before that can happen, however, the legislation must first clear Rodino's full committee, and industry supporters of the bill acknowledge potential problems at that level.

NACDS "isn't taking anything for granted," Kelley told *Drug Store News*, "but we are in a much better position than we were a few days ago," he said.

Only last month the Senate unanimously approved similar pharmacy crime legislation sponsored by Sen. Roger Jepsen (R-Iowa) setting Federal fines of up to $20,000 plus 20-

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Carls, P&C combo to open in N.H.

BOSTON—Pneumo Corp., parent company of Carls Drug and P&C Food, will open its first food/drug combination store late this summer in a former King's Department Store in Lebanon, N.H.

The 48,000-sq.-ft. combo will carry both the Carls and P&C logos and will feature a mix of about 70% food and 30% drug merchandise.

"We've seen that others have been successful with this concept, so we're going to try it," said Pneumo spokesman Walter Rodgers.

The combo format will be new to Lebanon, an area with a potential draw of about 23,000. The town is 142 miles from Pneumo's Boston headquarters and over 250 miles from P&C's and Carls' headquarters.

According to Rodgers, P&C is already a dominant food retailer in New Hampshire, but Carls is unknown. The teaming of Pneumo's two retailers will thus help to launch the Carls name in the state. Carls currently operates 36 units primarily near its Rome, N.Y., headquarters.

"It's an outstep for Carls," Rodgers said, "and we might consider expansion into that market."

In Lebanon, the only other drug chain is CVS. P&C's major chain competitors are Purity Supreme and Grand Union.

The company will monitor the success of its first combo before deciding on others, Rodgers said. He added that the company opened its first side-by-side Carls and P&C units last summer in a Syracuse, N.Y., suburb. He said the unit has been successful and that was one of the factors that helped Pneumo decide on the New Hampshire venture.

The food/drug group at Pneumo, which also designs and manufactures aircraft supplies, has been showing steady improvement over the past few years, thanks in part to major remodeling activities. The group contributed 73% of Pneumo's fiscal 1983 revenues.

—News in brief—

BBC's Fiery named to new post

LOS ANGELES—Elmer M. Fiery has been named president of Bergen Brunswig's wholesale drug distribution company, Robert E. Martini, president of the corporation, announced. Fiery had been serving as vp of Drug Distribution East since 1972. Fiery, who is this year's chairman of the National Wholesale Druggists' Association joined BBC in 1979 as a sales manager in South Brunswick, N.J.

Giant cancels sex education tapes

WASHINGTON—Giant Pharmacy officials abruptly discontinued offering taped sexual advice over the chain's new health information telephone "hotline" following protests from Washington, D.C.-area religious and antiabortion groups. (See earlier story, page 11.)

Although the chain will continue to offer phone-in prerecorded advice on some 200 other health topics, tapes dealing with such issues as abortion, masturbation, homosexuality and birth control have been discontinued, Giant officials said.

The eight controversial "sexology" tapes had been approved by the Maryland State Medical Society as well as a separate "screening" committee. But Catholic Church leaders as well as "pro-life" antiabortion activists termed the recorded sex education messages "extreme."

Carter named Eckerd vp

CLEARWATER, Fla.—Eckerd Drug Co. named James Michael Carter, manager of the Georgia-Alabama division, as a company vp. Carter will continue to supervise the division's 207 stores. Carter, who joined the chain in 1966 as a pharmacist, came to the Georgia-Alabama division from Florida, where he served as district manager in Orlando and Clearwater.

McKesson plans AMBI buy

SAN FRANCISCO—McKesson Corp. has signed a letter of intent to purchase AMBI Medical Management Systems in a stock buyout valued at over $3 million. AMBI, which processes claims and provides billing, computer services, marketing consultation and training for durable medical equipment retailers, will become part of SunMark Home Health Care, a separate McKesson subsidiary that specializes in DME equipment for home convalescents.

Walgreens Feb. sales rise 19%

DEERFIELD, Ill.—Walgreen Co. announced February sales of $213.5 million, an increase of 18.9% from $179.5 million for the same month in 1983. Charles R. Walgreen said the healthy increases came from strong prescription sales, the excellent performance of its restaurants and continuing drug store expansion.

F&M plans new deep-discount units

WARREN, Mich.—F&M will expand its deep-discount chain with new sites in Saginaw, Mich., and Buffalo Grove, Ill. That brings to 14 the number of F&M units in operation.

Signs in Perry store tout discounts of up to 40%.

Perry cuts prices in Mich. mkt. war

PONTIAC, Mich.—Perry Drug's discount program, enacted to combat the tough competition in its primary market of Michigan, has bolstered sales without negatively impacting margins.

"We knew we had to do something," explained Perry's vp/merchandising Dave Peterson. Peterson was referring to the hotbed of competitive activity that includes not only deep discounters such as F&M and Warehouse Way but also sharp drug store operators like Arbor.

Perry's answer, according to Peterson, was to cut prices on several key categories whose suggested retails allow room for discounting.

Huge signs touting discounts of up to 40%, as well as a print, TV and radio campaign telling shoppers they'll "never have to pay a full price again," hammered home the discount image to Perry customers.

The result? "We've been able to hype sales without a negative impact on gross margins," Peterson said. "Initially, we had some cherrypicking, but now we have increases throughout the entire mix. We've been able to expose more shoppers to our broad mix and to high gross profit departments."

Categories discounted in Perry include: Timex 30% off; franchised cosmetics, about 20% off; Goody hair care, Whitman and Sanders Candy and Westinghouse light bulbs, 40%.

According to Peterson, Perry began testing the concept last August in its Kalamazoo and Battle Creek outlets. "We first wanted to see what would happen to our margins," he noted. Although he wouldn't reveal how much sales have risen, the program has been so successful that all drug chains now have the discount policy in place.

Although the signs mimic the style of a deep-discount unit, Perry has not realigned its buying strategies.

Exec tells NWDA

Long-term health care: shot in arm for Rxmen

DALLAS—R. Timothy Webster, executive director of the American Society of Consultant Pharmacists, warned drug wholesalers that a unique new trade group is emerging as pharmacists extend their efforts into the $1 billion long-term health care market and that wholesalers had better be ready for it.

Speaking before a meeting of drug wholesalers at this year's NWDA marketing conference, Webster said that as the Federal Government's Diagnosis Related Groups system becomes commonplace and hospitals begin to discharge patients earlier, many of these patients will end up in nursing homes.

"The growth of the long-term care industry is very dramatic," explained Webster. "We went from 200,000 beds in 1960 to 1.5 million in 1980. With earlier discharges from hospitals, this number will most definitely grow."

Because most of these nursing homes do not have the professionals or facilities to offer pharmacy and other health care supplies on their own, they will be looking to retail companies to supply these needs. Webster pointed out that the average nursing home patient has 6.1 medication orders, which translates into five scripts per patient per month.

"The level of health professional at a nursing home is at the LPN level or less," said Webster. "That leaves a real

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Vol. 6, No. 7 April 2, 1984

FINANCIAL

Adams net earnings rise 56%, sales 6%

PAWTUCKET, R.I.—Adams Drug posted a 56% increase in net earnings and a 5.5% rise in sales for the fiscal year ended Dec. 31. For the year, earnings rose to $7.1 million, or $1.74 per share, from $4.6 million, or $1.12 per share, a year earlier. Sales increased to $302.1 million from $286.2 million.

With earnings growth outstripping sales growth by more than 10 to 1, Adams' net-to-sales ratio advanced by a strong 0.8 of a percentage point to 2.4%.

For the fourth quarter, earnings increased to $4.6 million, 65% higher than the $2.8 million reported in the prior year period. Earnings per share for the quarter increased to $1.12 from 68¢. Sales rose 5.6%.

Thus earnings for the fourth, or Christmas, quarter accounted for 64% of the chain's earnings for the entire year.

"We were extremely pleased with our achievements in 1983," said Charles Salmanson, chairman.

Genovese net leaps 46%

MELVILLE, N.Y.—Genovese Drug Stores announced that net earnings for the fiscal year ended Feb. 3 increased 46% to $3.9 million from $2.6 million the previous year.

Sales for the 53-week year rose to $193.8 million, 22% higher than the $158.7 million reported in the prior year.

Earnings per share, adjusted for a 20% stock dividend distributed last April and a 2-for-1 stock split distributed in October, rose to 96¢ from 67¢.

For the fourth quarter, net earnings increased 43.7% to $1.7 million from $1.2 million in the corresponding year-earlier period. Earnings per share, also adjusted to reflect last year's increases in shares, were 43¢ for the quarter compared to 30% in the previous period.

Sales for the quarter rose to $54.6 million.

Outpace 29% sales gain

Perry profits advance 57%

PONTIAC, Mich.—Perry Drug Stores posted a 57% increase in earnings and a 29% gain in sales for the first quarter ended Jan. 31.

With earnings growth outpacing sales growth by almost 2 to 1, the chain managed to boost its net-to-sales ratio for the quarter to 3.4%, a gain of 0.6 of a percentage point over the corresponding 1983 period.

Earnings for the quarter rose to $3.3 million from $2.1 million in the comparable year-earlier period, while sales increased to $96.2 million from $74.5 million. Earnings per share, assuming full dilution, were 53¢, 20% higher than the 44¢ per share achieved a year ago.

"Our outstanding first quarter performance reflects improvements in our overall gross profit margin, important contributions to sales and earnings made by our newly acquired FAS Auto Works division, as well as overall improved market conditions," said Jack A. Robinson, chairman and ceo.

Robinson said that sales of "seasoned stores"—those in operation at least a year—increased 12% over the same 1983 period.

Since the end of the fiscal year ended Oct. 31, Perry has opened six new stores—two drug stores, three discount auto parts outlets and an auto-home center. The chain now operates 189 stores in six states: Maryland, Illinois, Indiana, Kentucky, Ohio and Wisconsin. They include Perry and Gould conventional drug stores, auto parts stores called Auto Works and FAS Auto Works, and A. L. Price deep-discount health and beauty aids stores.

Robinson said that "the momentum created in fiscal 1983 has established a foundation for even better results in the present fiscal year."

Dart, Peoples lead chain drug advance

Name	Symbol	STOCK PRICE 2/24/84—3/12/84 High	Low	Close	Change Amt	Change Pct	52-Week High	52-Week Low	TREND TO MARKET: Price Trend (% per day) Last 30 Days	Price Trend Last 5 Days	Volume Trend (% per day) Last 30 Days	Volume Trend Last 5 Days	EARNINGS/SHARE: Last Fiscal Year	Latest 12 Months vs Preceding 12 Months Change Amt	Change Pct	5-Year Annual Growth Rate	Profit Margin	P/E: Latest P/E Ratio	DIVIDENDS: Indicated Dvd. Rate Amt	Yield	Last X-Dvd. Date	FINANCIAL POSITION: Last Fiscal Year Revenue	Earnings	Current Ratio	Last Fiscal Year (Per Share) Long Term Debt	Common Stock Equity	Last Balance Sheet Date
—	—	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	—	$	%	—	$ Mil.	$ Mil.	—	$	$	—
Chain Store transactions																											
Adams Drug	ADG	16.75	13.00	14.25	1.25	9.62	24.88	12.38	.54	-2.21	2.27	39.89	1.12	.39 N	42.8	17.0	1.6	11.0	.04	3	12-09-83	286.2	4.6	2.8	8.00	9.74	1282
Am Stores	ASC	33.88	31.75	33.50	.25	.75	44.00	24.19	.17	.41	-2.01	4.61	2.69	.87 N	35.2	44.0	1.2	10.0	.48	1.4	12-09-83	7507.8	90.4	1.4	11.95	12.14	0183
Begley Drug	BGLY	16.25	16.00	16.00	-.25	-1.54	24.00	15.00	.04	.06	-4.43	50.00	1.47	1.46 N	NC	-10.0	1.4	11.0	.68	4.3	01-16-84	56.8	.8	1.8	11.50	17.52	0383
Big B	BIGB	11.38	10.63	10.63	-.50	-4.49	14.50	7.63	.07	-.61	3.45	-44.20	.53	1.4 F	35.8	22.0	3.0	20.0	.00	.0	09-21-83	117.0	3.5	2.5	21	3.36	1282
Dart Drug Corp	DRUGA	68.50	58.00	68.50	11.50	20.18	148.00	44.50	.03	2.56	-.50	17.34	5.43	6.32 N	207.2	67.0	3.1	7.3	.13	2	12-06-83	291.8	9.1	2.0	12.01	28.91	0183
Drug Sys	DRGS	7.00	6.50	7.00	.00	.00	9.31	5.25	.59	.83	-2.33	-27.61	.55	.65 N	NC	NC	2.6	10.8	.00	0	01-25-84	26.7	.7	2.8	2.40	3.12	0383
Eckerd, Jack	ECK	25.86	24.63	25.63	1.38	5.67	34.88	23.50	.16	.33	-.92	-18.47	1.91	.30 S	16.3	6.0	3.1	12.0	1.00	3.9	03-12-84	2325.0	71.7	2.0	.30	15.17	0783
Fay's Drug	FAY	12.38	11.00	11.25	-.88	-7.22	14.50	8.81	.37	-.37	-1.54	-28.52	.48	.13 N	31.7	32.0	2.0	20.8	.14	1.2	03-19-84	270.3	5.5	2.0	2.17	2.23	0183
Genovese Drug	GDX	15.38	14.00	14.38	.38	2.68	20.50	9.34	.54	-1.10	-1.54	11.11	.67	.26 N	45.6	32.0	1.6	17.3	.20	1.4	12-28-83	158.7	2.6	1.7	1.90	4.95	0183
Hook Drugs	HOOK	23.00	22.50	22.50	.00	.00	29.75	20.00	-.73	-.26	-6.72	-34.66	2.01	.49 F	32.2	7.0	2.7	11.2	1.00	4.4	01-09-84	320.5	8.7	1.7	2.86	9.37	1282
Longs Drg Strs	LDG	45.75	41.63	42.50	-1.50	-3.41	50.13	40.25	-.06	-.73	-1.66	1.14	3.43	.51 F	17.4	10.0	3.0	12.4	1.12	2.6	02-29-84	1214.4	36.4	1.8	.00	18.76	0183
Pay N Save	PAYN	20.00	18.75	20.00	1.00	5.26	28.75	17.50	-.09	.32	-.88	-15.84	2.02	.61 F	43.2	1.0	2.5	9.9	.60	3.0	02-17-84	1220.5	30.1	2.3	17.01	14.32	0183
Pay Less NW	PAY	17.88	15.25	15.75	.75	5.00	20.19	13.81	.28	-1.38	-.63	-12.80	1.35	.28 F	26.1	1.0	2.9	11.7	.27	1.7	03-19-84	352.9	24.7	2.0	5.26	6.07	0183
Peoples Drug	PDG	33.75	33.25	33.63	9.00	36.55	33.75	20.25	2.09	.08	6.33	-29.68	1.79	.40 F	28.7	23.0	1.7	18.8	.28	.8	02-17-84	791.1	13.7	1.8	4.92	11.56	0983
Perry Drug	PDS	15.75	14.50	14.63	-1.00	-6.40	22.38	11.69	-.12	-.76	1.30	6.50	1.02	.37 Q	50.0	11.0	1.6	13.2	.24	1.6	02-21-84	285.5	4.5	2.2	2.78	9.75	1083
Revco Drug	RDS	32.13	30.25	31.50	-.38	-1.18	37.50	26.50	.00	.40	-1.83	14.24	2.13	.53 S	29.9	24.0	3.7	13.7	.68	2.2	02-17-84	1792.8	66.5	2.5	1.33	11.59	0583
Rite Aid Corp	RAD	20.25	18.25	19.00	-.38	-1.94	23.44	17.38	.27	.21	-4.35	-42.54	1.19	.61 N	83.5	26.0	3.9	14.2	.40	2.1	01-30-84	1294.7	49.9	1.7	.59	6.19	0283
Thrifty Cp	TFD	15.50	13.50	13.75	-1.50	-9.84	25.25	11.31	.14	-1.34	.59	54.69	1.13	.23 Q	24.7	18.0	1.9	11.9	.52	3.8	02-06-84	1187.8	22.5	1.5	5.39	6.83	0883
Walgreen Co	WAG	35.75	32.25	34.00	1.75	5.43	40.38	26.50	-.02	.17	-.45	8.50	2.24	.46 Q	24.4	34.0	2.9	14.5	.72	2.1	02-10-84	2360.6	69.0	1.6	1.75	11.47	0683
Wholesaler's transactions																											
Bergen Bruns	BBCA	23.88	21.00	22.38	-.13	-.56	39.50	21.00	-.02	-.76	-2.34	-26.38	1.60	.24 Q	17.0	40.0	1.4	13.6	.32	1.4	01-26-84	1452.0	20.0	1.6	1.22	9.99	0883
McKesson Cp	MCK	39.13	34.75	35.25	-3.00	-7.84	51.00	34.75	-.34	-1.23	-1.38	-29.31	3.44	.38 N	11.7	5.0	1.6	9.8	2.40	6.8	02-24-84	4053.7	63.2	1.6	15.78	29.70	0383
Foxmeyer Cp	FOXM	25.00	23.38	24.25	1.00	4.30	28.50	22.25	.28	.29	9.78	-1.32	.94	1.43 N	NC	103.0	.7	17.0	.00	0	00-00-00	351.1	2.3	2.2	15.38	3.87	0383
Ketchum	KCH	15.88	11.75	14.50	-1.13	-7.20	21.00	11.19	-.53	.26	2.71	17.28	.89	.51 N	113.3	97.0	4	15.1	.00	0	09-26-83	211.4	.9	1.5	5.87	5.68	0483
Owens & Minor	OBOD	14.75	13.25	13.75	.50	3.77	19.25	13.00	.03	-1.33	-.01	5.45	1.41	.64 F	83.1	8.0	1.2	9.8	.36	2.6	03-09-84	255.2	3.0	2.8	10.55	9.76	1282
Spectro Indus	SPO	17.88	15.50	16.25	-1.63	-9.09	28.75	15.50	-.37	-1.35	-2.21	18.04	1.35	.31 N	25.0	48.0	1.6	10.5	.14	.9	12-29-83	339.1	5.4	1.7	2.86	7.24	0383
Manufacturer's transactions																											
Abbott Labs	ABT	43.63	39.00	41.50	-1.00	-2.35	53.38	39.00	-.28	.58	1.40	24	2.86	.49 F	20.6	28.0	11.9	14.5	1.00	2.4	01-09-84	2927.9	347.6	1.3	1.56	10.74	1282
Am Home Prod	AHP	53.75	51.38	52.75	.50	.96	54.75	42.88	.20	.31	.62	-16.11	4.00	.41 F	11.4	17.0	12.9	13.2	2.64	5.0	02-06-84	4856.5	627.2	2.7	.00	11.83	1282
Baxter Travenol	BAX	18.63	16.38	17.50	-1.13	-6.04	31.31	16.38	-.76	.75	1.21	-23.25	1.45	.23 F	18.8	28.0	11.8	12.1	.33	1.9	03-23-84	1842.5	218.1	2.0	1.18	7.52	1282
Block Drugs Co	BLOCA	27.25	27.00	27.00	.00	.00	34.47	21.38	-.03	.07	.29	-26.92	2.85	.47 N	17.6	14.0	9.7	8.6	1.00	3.7	02-24-84	219.0	21.3	2.5	2.35	17.84	0383
Bristol-Myers	BMY	44.50	42.38	44.50	.50	1.14	47.88	34.50	.07	.37	-.45	3.76	3.00	.41 F	15.8	19.0	10.4	14.8	1.60	3.6	04-02-84	3917.0	408.0	2.3	.84	12.68	1282
Carter-Wallace	CAR	25.75	24.63	25.13	-.63	-2.43	29.00	18.00	.20	-.08	-1.89	12.90	2.12	.31 N	15.5	35.0	5.7	10.9	.48	1.9	02-06-84	289.9	16.5	2.6	1.57	20.15	0383
Cooper Labs	COO	11.75	10.50	10.88	-.75	-6.45	13.75	10.38	-.33	-.92	-2.08	24.91	NA	NA	NA	NA	NA	NA	.12	1.1	03-12-84	NA	NA	NA	NA	NA	NA
Forest Labs	FRX	21.13	16.13	17.00	-4.00	-19.05	40.75	16.13	-1.18	-3.95	-.75	34.08	.48	-.02 N	-3.5	57.0	13.4	31.5	.00	0	01-14-83	18.6	2.5	3.7	.37	3.03	0383
ICN Pharm	ICN	6.38	5.00	6.13	.50	8.89	15.25	4.88	-.41	.83	3.19	-29.53	.22	-.20 F	-47.6	33.0	5.1	27.8	.00	.0	00-00-00	37.0	1.9	1.8	.65	3.81	1182
Key Pharm	KPH	15.25	14.13	14.63	.25	1.74	25.94	13.38	-.38	.22	-.29	-14.82	.51	.17 F	50.0	60.0	14.8	28.7	.16	1.1	03-12-84	127.3	18.8	1.6	.03	1.14	1282
Lilly Eli Co	LLY	65.38	62.63	62.75	-2.25	-3.46	68.38	56.75	.24	-.40	-2.53	-5.65	6.13	.71 F	13.0	12.0	15.1	10.2	2.90	4.6	02-08-84	3033.7	457.4	1.9	1.23	28.86	1283
Lee Pharm	LPH	3.00	2.63	2.75	.13	4.76	4.38	2.00	.49	-.84	.61	-29.87	-.49	.54 Q	NE	-57.0	-14.3	NE	.00	.0	00-00-00	7.0	-1.0	2.6	.41	1.53	0983
Marion Labs	MKC	32.00	27.75	29.50	.25	.85	48.00	27.25	-.13	-.86	-4.47	-14.10	.78	.43 S	72.8	15.0	8.2	28.9	.40	1.4	03-14-84	181.2	14.8	2.5	.05	5.93	0683
Merck & Co	MRK	96.25	90.00	90.75	-.38	-.41	104.63	81.75	.30	-.17	2.25	17.36	6.10	.49 F	8.7	7.0	13.9	14.9	3.00	3.3	11-29-83	3246.1	450.9	2.1	4.56	29.81	1282
Morton Thiokol	MTI	71.75	60.00	61.63	-10.38	-14.41	83.38	58.50	-.63	-.42	2.67	8.43	5.15	1.09 S	23.1	17.0	5.2	10.6	1.76	2.9	02-23-84	1509.2	78.5	1.4	8.90	32.79	0683
Newport Ph	NWPH	5.88	4.50	5.50	-.25	-4.35	11.38	4.50	-.48	3.31	2.01	-3.98	-.03	.00 S	NE	19.0	-3.4	NE	.00	.0	00-00-00	8.8	-.3	3.7	.24	1.12	0483
Pfizer Inc	PFE	38.88	36.63	38.63	1.13	3.00	44.75	33.88	.28	.55	-.07	-6.80	2.73	.62 F	29.3	17.0	11.9	14.1	1.32	3.4	01-26-84	3750.0	447.1	2.0	3.37	12.82	1282
Reid Prov Labs	REID	4.25	3.00	4.00	1.00	33.33	6.09	1.91	.86	1.41	3.89	-34.10	.10	.06 S	85.7	64.0	6.1	30.8	.05	1.3	12-09-83	11.4	.7	3.1	.03	.80	0683
Robins, AH	RAH	18.63	16.75	18.13	.25	1.40	29.38	16.63	-.19	1.31	-1.45	-8.38	2.40	.42 F	21.2	20.0	10.3	7.6	.68	3.8	02-03-84	563.5	58.2	4.0	1.50	13.29	1282
Rorer Group	ROR	28.75	26.63	27.63	.63	2.31	34.25	25.00	.26	.12	-.03	5.49	2.02	.22 F	12.2	11.0	8.9	13.7	1.08	3.9	02-06-84	475.3	42.4	2.1	1.13	9.54	1282
Scherer RP Co	SCHC	14.75	12.63	12.75	-1.13	-8.11	29.63	12.25	-.20	-2.03	2.65	10.66	1.13	-.39 N	-36.7	2.0	5.2	19.0	.32	2.5	03-14-84	169.7	8.8	2.5	4.57	10.88	0383
Searle, GD	SRL	48.25	44.50	48.13	1.88	4.05	55.88	34.75	.32	2.07	.80	18.71	2.39	-.17 F	-6.6	14.0	11.6	20.1	.52	1.1	02-06-84	946.0	110.0	2.2	4.10	13.32	1282
Squibb Corp	SQB	46.63	43.63	45.25	-1.38	-2.95	55.63	38.25	-.17	.41	-2.38	22.87	3.31	.30 F	9.9	6.0	9.8	13.7	1.44	3.2	02-10-84	1768.9	173.3	2.3	6.54	21.29	1282
Sterling Drug	STY	24.88	23.88	24.13	.00	.00	29.63	23.50	-.12	-.22	-3.29	7.84	2.24	.07 F	3.2	8.0	7.2	10.8	1.12	4.6	02-09-84	1901.2	136.8	2.8	1.19	14.16	1282
Syntex Corp	SYN	43.00	39.13	40.88	-2.00	-4.66	62.50	39.13	-.52	.21	-.84	-9.58	4.30	.40 S	9.9	36.0	17.2	9.2	1.60	3.9	02-06-84	870.2	145.3	2.2	3.37	18.11	0783
Thompson Med	TM	16.13	14.63	15.63	.88	5.93	26.00	12.75	-.19	.17	-1.19	-12.14	1.65	.49 F	42.2	89.0	11.0	9.5	.40	2.6	12-23-83	149.4	16.5	4.5	.00	4.53	1182
Upjohn Co	UPJ	59.50	56.50	59.00	2.63	4.66	68.75	50.63	.17	.10	1.67	5.49	5.28	1.10 F	26.3	1.0	8.1	11.2	2.56	4.3	01-03-84	1986.1	160.2	2.0	15.26	32.19	1282
Warner-Lambrt	WLA	36.75	30.75	33.75	1.63	5.06	36.75	26.38	.39	.14	1.80	-3.59	2.51	.46 F	22.4	-2.0	6.5	13.4	1.48	4.4	02-06-84	3108.3	200.5	2.1	8.51	17.28	1282

KEY: NA—Not Applicable NC—Not Calculable NE—Negative Earnings Q-First Quarter S-Six months N-Nine months F-Fiscal year
**—Other than a quarterly multiple resulting from a fiscal year change.*

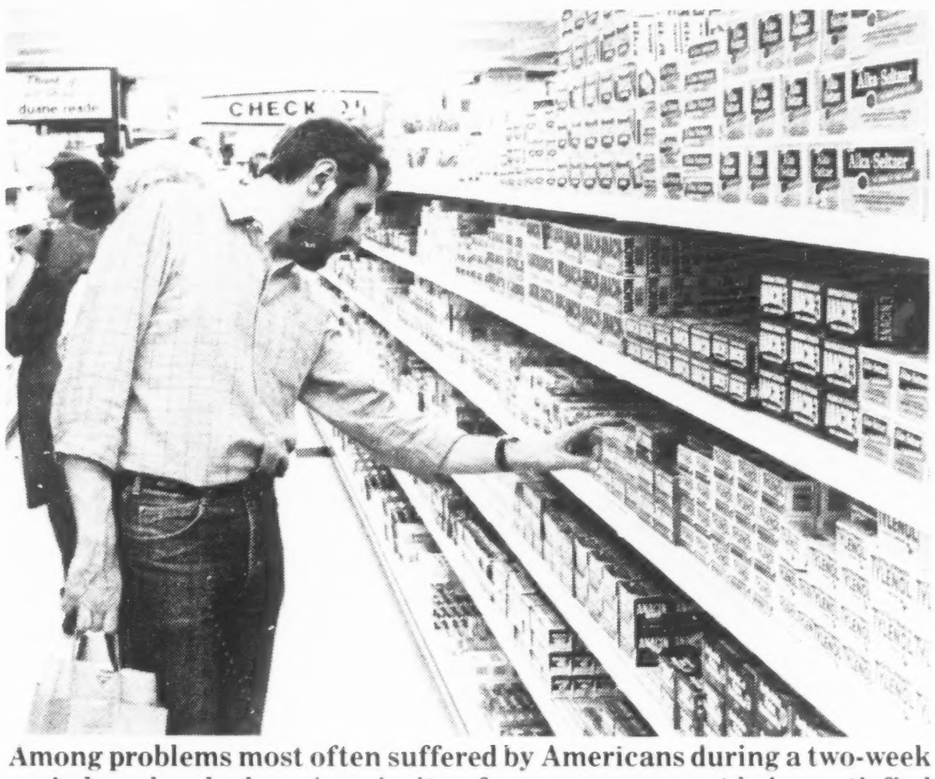
Data and Table Provided by Media General Financial Services, Inc., Richmond, VA 23261

• **Special report: how Americans use OTC products**

PHARMACY

Conducted by Proprietary Association

Study finds moderation characterizes OTC use



Among problems most often suffered by Americans during a two-week period are headaches. A majority of consumers report being satisfied with OTC analgesics.

ALEXANDRIA, Va.—The average American has more than 300,000 over-the-counter products at his or her disposal, and many more are entering the marketplace almost daily.

The growing variety of OTC's, compounded by the relatively new trend to shift certain select prescription products to OTC status, has some public officials worried about how responsibly Americans are using OTC's.

But according to a just-released study sponsored by the Proprietary Association, there is little cause to worry. Americans, the study shows, use OTC's in moderation. They use them appropriately to treat the problems they were intended to treat. They use them carefully, reading the label or asking pharmacists for recommendations. They stop using them as soon as the problems go away.

The study, which is the first national poll of how Americans actually treat medical problems, was conducted over a 12-month period. There were 2,062 total respondents, including 1,230 adults, 263 teenagers and 569 mothers answering for children under 13.

Telephone and followup mail interviews were conducted by Harry Heller Research, a well-known marketing research firm.

Among the major findings were these:

- In a typical two-week period, the average American is exposed to some 4.5 health-related problems, ranging from those as minor as headaches or general sense of fatigue to severe burns or viruses.
- Fifty-one per cent of these problems are either not treated (37%) or treated with a home remedy like chicken soup (14%).
- Thirty-five per cent are treated with an over-the-counter medication.
- Nine per cent of these problems are taken to a doctor or dentist, while the rest are treated with prescription products that may still be available in the house.

For those Americans who decided to treat their problems with OTC medications, the PA study discovered the following:

- Approximately 91% of those respondents who used an OTC only used a single product.
- The OTC product selected was appropriate to the problem to be treated: an antiseptic for a cut, scratch or insect bite or an analgesic for a headache or arthritis.
- Forty per cent of the respondents used the product only for one day.
- Ninety-two per cent of those who used OTC medications said they were satisifed with the way they worked.
- Ninety-three per cent said they would use that same product again for that same problem.
- Ninety per cent said they stopped using the product when the problem went away.

Eight out of 10 respondents in the study told the researchers that if possible, they prefer to fight symptoms without taking any medication. A whopping 96% said they believed medication should only be taken "when absolutely necessary."

Nearly 8 out of every 10 respondents said it was important to have nonprescription medicine available to relieve minor medical problems, and since four times as many respondents chose to treat their problems with an OTC medicine rather than go to a doctor, it was clear that if OTC's were not available the load on professional health services would increase dramatically.

There was virtually no difference in the way Americans of

Continued on page 17

Satisfaction with OTC treatments

Problem	% of respondents
Digestive system	94
Pain	94
Respiratory	92
Feminine	94
Skin	91
Eye/ear/ nose/mouth	91
General well-being	76
Overall	92

Source: Proprietary Association

In time for summer selling:
Special–12½% discount offer
available April 2 through June 29
Assort three dozen or more
Plus 90 days' dating
Ask your Wyeth Representative for details.
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Warehousing chains get an **extra 20%** on case (144) lots = **55.5% profit** in Jan

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